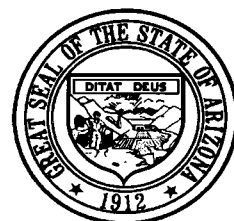


*Water Management Assistance Program*



## **9.1 INTRODUCTION**

The Arizona Department of Water Resources' (Department) Water Management Assistance Program is intended to provide financial and technical resources to assist water users in meeting their conservation requirements, facilitate renewable water supply utilization, and obtain information on hydrologic conditions and water availability in the Active Management Area (AMA). This program is funded primarily through a portion of the groundwater withdrawal fees paid annually by persons withdrawing groundwater in conjunction with filing their Annual Water Withdrawal and Use Report. The Water Management Assistance Program consists of the following: the Conservation Assistance Program, the Augmentation Assistance Program, and the Monitoring and Assessment Program. Conservation and augmentation assistance and information on hydrologic conditions acquired through monitoring and assessing water availability are essential tools in achieving the Department's water management goals. These goals include the efficient use of all water supplies and meeting the AMA safe-yield goal.

Conservation assistance is provided primarily in the form of financial assistance. However, it also includes planning and technical support and information and education services. Conservation assistance will continue to serve as a balance to enforcement actions during the third management period.

Augmentation assistance involves providing funds for projects that supplement the water supply of the AMA or that provide information to resolve technical feasibility issues or to optimize operation of recharge projects. Assistance includes studies initiated or conducted by the Department, cost sharing grants for augmentation projects, and studies initiated or conducted by others. Assistance may also include planning and technical support for AMA-wide and local area water management strategies.

Monitoring and assessment activities include providing staff assistance and funds for water supply and subsidence monitoring studies.

This chapter includes the following sections:

- Statutory Provisions
- Department's Role in the Water Management Assistance Program
- Second Management Plan Program Summary and Assessment
- Third Management Plan Program Goals and Objectives
- Allocation of Program Funds
- Future Program Direction

## **9.2 STATUTORY PROVISIONS**

### **9.2.1 Program Authorization and Funding**

The Groundwater Code (Code) requires that the Third Management Plan include a program for "additional augmentation of the water supply of the active management area, if feasible, including incentives for artificial groundwater recharge" and "a program for conservation assistance to water users within the active management area." A.R.S. § 45-566(A)(6) and (8). Funding for these programs comes primarily from groundwater withdrawal fees levied and collected pursuant to A.R.S. § 45-611(C). Other sources of funding include one-half of the annual surcharge collected by the director from persons holding a permit for interim groundwater use in bodies of water within the AMA and application fees for underground

storage facility permits, groundwater savings facilities permits, water storage permits, and recovery well permits. A.R.S. §§ 45-133(E) and 45-871.01(A).

All fees received by the Department for the Water Management Assistance Program must be transmitted to the state treasurer. A.R.S. § 45-615. The state treasurer is required to hold the fees in a separate fund and to maintain within the fund separate accounts for each AMA. A.R.S. § 45-615(1). Monies held in the fund for an AMA may be used only to finance the augmentation and conservation assistance programs that are part of the management plan for the AMA and to fund any projects that are authorized by the director for monitoring and assessing water availability within the AMA. A.R.S. § 45-613(A).

The director is authorized to provide monies from the fund, through grants rather than through the state's Procurement Code, for augmentation or conservation assistance projects that will benefit the AMA in which the monies were collected. A.R.S. § 45-617. However, the director has no authority to grant monies from the fund for monitoring and assessing water availability. Thus, if the Department elects to contract with an outside party to perform work on a monitoring project, the Department must either comply with the Procurement Code or enter into an intergovernmental agreement (IGA) with another governmental entity.

### **9.2.2 Groundwater Withdrawal Fees**

The groundwater withdrawal fee is levied and collected from each person who withdraws groundwater from a non-exempt well within the AMA, except persons who withdraw groundwater for use on a farm with ten or fewer irrigation acres. No later than October 1 of each year, the director is required to set the groundwater withdrawal fee for an AMA for the following year. A.R.S. § 45-614(A). Prior to setting the fee, the Groundwater Users Advisory Council (GUAC) for the AMA recommends to the director how the fee should be set within the statutory limit.

Within 30 days after setting the fee, the director is required to give written notice of the fee to all counties, cities, towns, private water companies, political subdivisions, and holders of groundwater withdrawal permits in the AMA. A.R.S. § 45-614(C). The fee is required to be paid to the Department at the time the person withdrawing the water files an annual report pursuant to A.R.S. § 45-632. A.R.S. § 45-614(E).

Groundwater withdrawal fees for administration and enforcement of the Code have been collected since 1990. This first year assessment was to initiate the augmentation assistance program adopted as part of the Second Management Plan. In 1991, the Second Management Plan was modified to include a conservation assistance program which also became eligible for funding.

Table 9-1 shows the total groundwater pumped, annual groundwater withdrawal fees, and total fees collected for the program, from 1990 through 1996 in the Prescott AMA.

## **9.3 DEPARTMENT'S ROLE IN THE WATER MANAGEMENT ASSISTANCE PROGRAM**

The Department's role in the Water Management Assistance Program is to:

- review and provide input on project proposals
- develop project proposals
- implement Department projects
- prioritize projects that best meet the AMA management objectives
- provide technical and field assistance
- provide information and educational services
- promote the exchange of information among entities implementing the projects
- administer IGAs, contracts, and grants as described in this chapter

A complete description of how projects are prioritized and selected and how funds are allocated is found in section 9.6.

### **9.3.1 Fund Management and Administration**

Fund management and administration of grants and contracts are coordinated between the Department's Administrative Services Division and the AMA. The centralized functions include management of the separate funds for each AMA and contract administration. The AMA staff initiate and support the grant application and review process and serve as the technical administrators for most grants and contracts.

### **9.3.2 Contract Development, Monitoring, and Support**

Each applicant proposal accepted for funding must enter into a contractual agreement with the Department. Contracts are prepared by Department staff, consistent with the applicant's proposal and scope development. The contract describes what tasks are to be accomplished and sets deadlines for task completion and fund disbursements. Department staff track progress and review deliverables for compliance with contract requirements. The Department authorizes and issues payments, modifies contracts as needed, and provides other legal and administrative support.

**TABLE 9-1  
HISTORIC GROUNDWATER WITHDRAWAL FEES<sup>1</sup> COLLECTED FOR  
WATER MANAGEMENT ASSISTANCE PROGRAM  
PRESCOTT ACTIVE MANAGEMENT AREA**

<b>Year</b>	<b>Groundwater Pumped<sup>2</sup> (Acre-Feet)</b>	<b>Withdrawal Fee (per Acre-Foot)</b>	<b>Monies Collected<sup>3</sup></b>
<b>1990</b>	13,582	\$1.00	\$15,963
<b>1991</b>	14,022	1.00	13,793
<b>1992</b>	12,496	1.00	12,024
<b>1993</b>	15,291	1.00	15,288
<b>1994</b>	15,432	1.00	15,450
<b>1995</b>	15,007	1.00	15,018
<b>1996</b>	17,667	1.00	17,657
<b>Average</b>	14,785	\$1.00	\$15,028

<sup>1</sup> Withdrawal fees and fees collected reflect only that portion of the groundwater withdrawal fee established to support the Water Management Assistance Program. Total withdrawal fees through 1996 have been greater than Table 9-1 fees, since the first one dollar per acre-foot of the annual withdrawal fee was established for general Department administrative purposes.

<sup>2</sup> The figures in the groundwater pumped column reflect the most recent information available in the AMA. This information may vary from the figures used at the time the groundwater withdrawal fees were actually collected.

<sup>3</sup> Discrepancies in the groundwater pumped versus monies collected are due in part to late report filing, small Type 2 and withdrawal permit fees, over payments, etc.

### **9.3.3 Information and Education Service**

The Department's Web site ([www.adwr.state.az.us](http://www.adwr.state.az.us)) serves as an information clearinghouse and the primary public venue for dissemination of current information on the Water Management Assistance Program. Information gained through Department sponsored programs, which are deemed to be

regionally, statewide, and/or nationally transferable, will be placed on the Department's Web site and updated regularly. An additional focus will be linking the Department's Web site to other pertinent Web sites. This will assist users in finding water conservation, water supply, and augmentation information from other sources. In addition to a computer-based information clearinghouse, a centralized clearinghouse could include a library of conservation and augmentation literature as well as detailed information on grants and contracts funded and could provide centralized water conservation outreach activities.

The AMA office is responsible for developing water conservation information materials, educational curricula and displays, and programs specific to water users within the AMA. These materials may be developed independently, with conservation assistance funding (e.g., grants or contractual agreements with consultants), in cooperation with other AMAs, or through partnerships with other government agencies, community groups, or utilities.

The AMA office is also responsible for maintaining inventories of information and educational materials for distribution to water users within the AMA. Conservation-related presentations to schools, civic and other groups, and participation at local events are generally the responsibility of the AMA staff.

#### **9.3.4 Assistance Activities**

Assistance activities may include providing general or specific advice, performing research, assisting in the development of conservation and water management programs, and providing field or other technical support. AMA staff also provide support for augmentation and recharge activities including technical assistance and facilitation of regional planning efforts.

### **9.4 SECOND MANAGEMENT PLAN PROGRAM SUMMARY AND ASSESSMENT**

#### **9.4.1 Second Management Plan Conservation Assistance Program**

The Second Management Plan identified four conservation program categories to be the focus of the grants program. They were:

- Information and Education
- Agricultural Users Program
- Municipal Users Program
- Industrial Users Program

Through the 1997 grant cycle, the Prescott AMA had funded 2 conservation projects totaling \$20,225. One grant of \$20,000 was awarded to develop a water conservation education and rebate program. The second grant of \$225 provided scholarships for youths to attend a Natural Resource Conservation Workshop.

#### **9.4.2 Second Management Plan Augmentation Assistance Program**

Through the 1997 grant cycle, no augmentation projects had been funded in the Prescott AMA.

#### **9.4.3 Second Management Plan Program for Monitoring and Assessment**

Statutory authorization making these types of projects fundable under this program was given in 1996. Projects in this category do not have to follow the previously described grant funding process. The Department may requisition funds from the withdrawal fee account, if, in the opinion of the Department, such a project is critical to the needs of the agency.

#### **9.4.4 Second Management Plan Program Assessment**

The Water Management Assistance Program has been in operation for seven years. As previously described, projects in the education program category have been funded under this program. The mark of a good program is whether it is achieving the objectives established for it. This section will generally assess the accomplishments of the program. This assessment will be used to reaffirm or reshape the program, as necessary, for the third management period. This general program assessment was conducted for the following reasons:

- Much time and money have been invested in this program. With that investment, it is good policy to determine what has and has not been successful in order to provide direction for future program efforts.
- The determination that the AMA is not at safe-yield may result in a shift of funding towards additional monitoring and hydrologic research.
- To determine the impact that withdrawal of water by exempt wells has on overall AMA water supplies, along with the identification of areas that are “at-risk” for exempt wells.

##### **9.4.4.1 Goal/Objectives Attainment**

The goal of the Water Management Assistance Program is to assist water users and others in achieving the management plan conservation requirements and in developing augmentation and recharge projects in order to maximize the use of renewable resources. This may be achieved by identifying and carrying out high priority projects, providing funds for the development of such programs, acting as a central source of information, and increasing public awareness of the importance of water conservation and renewable resource development.

##### **9.4.4.1.1 Priority Projects**

The AMA currently establishes annual funding priorities, based on consultation with the GUAC and other members of the water using community. Applications for funding under these priority categories receive stronger consideration in the review and selection process. During the first four years of this program, funding priorities were not set. Any application that met the Second Management Plan review criteria had an equal opportunity for funding. Beginning with the 1995 grant cycle, the Department began considering priorities.

##### **9.4.4.1.2. Providing Funds**

The Department has made all funds collected for this program available for award. A small percentage of total funds collected is used by the Department to provide legal and administrative support to the program. Although all funds collected have been made available, all funding has not been awarded. In most years, the amount of funding available has exceeded the amount requested by applicants receiving GUAC recommendation.

#### **9.5 THIRD MANAGEMENT PLAN PROGRAM GOALS AND OBJECTIVES**

##### **9.5.1 Third Management Plan Conservation Assistance Program**

The goal of the Conservation Assistance Program is to assist water users and other eligible persons within the Prescott AMA in achieving the conservation requirements of the management plan. The Department will meet this goal by working towards the following program objectives:

- Identify high priority funding areas, in consultation with the GUAC and the water using community, and carry out priority programs.
- Provide funds for the development of conservation assistance programs for agricultural, municipal, and industrial water users and for information and education on water conservation.
- Act as a central source for information on water conservation.
- Increase public awareness of the importance of water conservation.

#### **9.5.2 Third Management Plan Augmentation Assistance Program**

The goal of the Augmentation Assistance Program is to assist water users and other eligible persons within the Prescott AMA in developing augmentation and recharge projects in order to maximize the use of renewable sources of water such as surface water and effluent. The Department will meet this goal by working towards the following program objectives:

- Identify high priority funding areas, in consultation with the GUAC and the water using community, and carry out priority programs.
- Provide funds for the planning, design, and construction of such augmentation and recharge projects.
- Act as a central source for information on augmentation and recharge.
- Increase public awareness of the importance of augmenting the AMA's groundwater supplies.

#### **9.5.3 Third Management Plan Program for Monitoring and Assessment**

The goal of this program is to assist in identifying, establishing, and implementing programs that monitor and assess the hydrologic conditions and the potential impacts of continued groundwater pumpage and water level declines in the Prescott AMA.

### **9.6 DEPARTMENT ROLE IN WATER MANAGEMENT ASSISTANCE PROGRAM**

The Department's role in the Water Management Assistance Program is to direct the program by identifying areas in need of technical or financial assistance, establishing assistance priorities, soliciting and reviewing projects for funding, developing contractual arrangements, providing administrative and logistical support, reviewing deliverables, monitoring progress, and providing access to results.

#### **9.6.1 Annual Assistance Priorities**

In an effort to apply available funding and technical assistance to the most important projects, the AMA identifies annual program priorities. With assistance from members of the water using community and the GUAC, high priority categories are identified. Any projects identified for funding in these categories receive preference during the application review and selection process.

#### **9.6.2 Application and Review Process**

An extensive mailing list is used for notification that the annual grant application process has begun. The notice identifies funding categories, priorities, application review criteria, application submittal and review schedules, and funding levels. Once applications are received, AMA staff conduct their review. AMA staff also provide logistical and technical support to the GUAC during their concurrent review. Generally, an initial screening of applications is conducted by the GUAC. Applications most consistent with the established funding priorities are retained for further consideration. Those applicants are then invited to make a presentation to the GUAC. Subsequent to the presentations and application reviews, the GUAC selects which applicants should receive funding and forwards their recommendations to the Department director. The director then makes the final determination as to which applicants will be offered a contract.

### 9.6.2.1 Conservation Assistance Proposal Selection

The selection criteria to be used in the Prescott AMA by the GUAC and the director to evaluate conservation assistance proposals are listed below. Certain criteria may be given greater weight, and any weighted system will be applied consistently. There are three mandatory evaluation criteria and additional criteria that may be used in project selection.

#### Mandatory Evaluation Selection Criteria

1. Compliance of the project with applicable laws and administrative regulations. In the case of regulated water users, the extent to which this project helps to reach Third Management Plan conservation requirements.
2. Cost effectiveness of the project. Ability to combine the project with proposed or ongoing projects resulting in cost and human resource savings. Ability of the project proponent to obtain matching funds for the project. Extent to which the applicant is contributing to the cost of the project (e.g., in-kind or cash). Predicted water demand reduction. Extent and duration of reduction relative to project costs.
3. Compatibility of the project with the Department's policies and programs and the management goal of the Prescott AMA.

#### Additional Evaluation Selection Criteria

4. Extent to which the type of project is applicable to other users, other sectors, and other AMAs.
5. Likelihood of community support for the project. Demonstrated sector commitment to participate in the project.
6. Significance of the project's potential economic, environmental, and social impacts.
7. Extent to which the type of project has previously been proven feasible and effective, or extent to which implementation of the project will provide information on feasibility and effectiveness if not previously proven.
8. Demonstrated need. Is it likely the project would not be implemented without conservation assistance funding?
9. Ability to monitor demand reductions during and after implementation of the project. Ability to produce documented comparisons of pre- and post-project water savings, scientific data collection and reporting methods, or pre- and post-program surveys to verify project results.
10. Past performance of project proponent with regard to implementing conservation projects. Whether the applicant has experience and past success with similar projects.
11. Effectiveness of proposal. This includes factors such as a clear statement of purpose, goals, methodology, and list of deliverables (data collection, interim and final reports, etc.). Contains background on current and historic water use if applicable. Whether the proposal is innovative and includes sufficiently researched budget information to determine if the requested funding amount is warranted (e.g., salary costs and benefits, retrofit device costs, equipment purchases, and supplies).



### Special Preference Points

The GUAC may choose to give special preference points to certain priority projects or may declare a “must fund” project which would receive first consideration for funding. These priorities may change from year to year.

#### **9.6.2.2 Augmentation Assistance Proposal Project Selection**

Each augmentation assistance project grant proposal will be evaluated according to the criteria established by the director in consultation with the GUAC. Evaluation criteria include, but are not limited to:

- Compatibility with current Department programs and policies, and consistency with the management goal
- Significance of the project’s potential economic, environmental, and social impacts
- Compliance with applicable federal, state, and local regulations
- Technical feasibility and timely realization of alternative renewable water supplies
- Promotion of efficient use of the alternative water supplies
- Likelihood of developing transferable information
- Capabilities of project proponents to successfully implement the project

The Department may coordinate with other agencies and organizations involved in water quality regulation and issues, in addition to the Arizona Department of Environmental Quality, through a review and comment process or other means, to ensure that these agencies and organizations are aware of the proposed project and are allowed time to assess any impact the proposed project may have.

#### **9.6.2.3 Monitoring and Assessment Project Selection**

Monitoring projects will likely be developed in cooperation with other government agencies or educational institutions through an IGA or will be initiated by the Department and funded through requests for proposals. There is no statutory provision which authorizes the director to grant monies for monitoring and assessing water availability, unless monitoring and assessing water availability is tied to augmentation. Thus, the Department must comply with the Procurement Code if the Department contracts with a private entity to conduct monitoring. Project development and selection will be based on the AMA’s monitoring and assessment needs in consultation with the GUAC.

### **9.6.3 Contract Development**

Each applicant receiving a favorable determination from the director is required to enter into a contractual agreement with the Department. The contract is prepared by Department staff, consistent with the applicant’s proposal, and describes what is to be accomplished by the applicant for which reimbursement will occur.

### **9.6.4 Contract Monitoring and Support**

Department staff track the progress of each contractor. Department staff ensures adherence to contract provisions and reviews intermediate contract deliverables. Contract products are reviewed for consistency with contract requirements. Department staff issue payments, modify contracts as needed, and provide other legal and administrative support.

### **9.6.5 Clearinghouse**

Each AMA acts as an information repository for all conservation, augmentation, and monitoring information generated from contracts they administer. In addition to any information transfers or product dissemination called for in the contracts, the Department makes all information and products generated by contracts available to anyone.

The Department's Web site also serves as an information clearinghouse and the primary public venue for dissemination of current information on the programs. Information gained through Department sponsored programs, which are deemed to be regionally, statewide, and/or nationally transferable will be placed on the Department's Web site and updated regularly. An additional focus will be linking the Department's Web site to other pertinent Web sites. This will assist users in finding water conservation, water supply, and augmentation information from other sources.

A centralized clearinghouse could include a library of conservation and augmentation literature, detailed information on grants and contracts funded, and could provide centralized water conservation outreach activities.

## **9.7 FUTURE PROGRAM DIRECTION**

The future of the Water Management Assistance Program will be influenced and shaped by many considerations. The next ten years will be pivotal years in the Department's effort to achieve the management plan goal of safe-yield. Key considerations in the structure of the Third Management Plan program will be:

- Limited program funding
- Program goals and objectives
- Program priorities
- Program process

### **9.7.1 Limited Program Funding**

Given the limited amount of annual withdrawal monies collected in the AMA, the ability of the AMA to participate in costly programs and projects will be limited. Those programs which meet the goals and objectives of the AMA, such as monitoring, recharge, and importations studies may require new or additional partners. Special consideration will be given to those projects which attract other outside funding.

### **9.7.2 Third Management Plan Goals and Objectives**

The Water Management Assistance Program goals are described in sections 9.3 and 9.5. These goals are legislatively derived and clearly articulate what this program is expected to achieve, which is assisting water users in achieving their management plan conservation requirements and in developing augmentation and recharge projects. The Water Management Assistance Program goals are consistent with, and should contribute to, the AMA goal of achieving safe-yield by increasing water use efficiency and increasing the availability of renewable water supplies. Program objectives for the Third Management Plan are also described in sections 9.3 and 9.5. In the Third Management Plan, greater emphasis will be put on focusing on conservation assistance, augmentation, and monitoring programs to assist in meeting the unique water management problems of the Prescott AMA. The Third Management Plan objectives are as follows:

- The Department, in consultation with the GUAC, will identify conservation assistance, augmentation, and monitoring projects of the highest priority order. These projects, through applications or Department initiative, will receive first funding status.
- The Department, in consultation with the GUAC, will list other priority projects and categories for technical or funding assistance. Applications in this priority category will compete with all other applications; however, preference points will be given to the priority applications.
- Provide increased levels of consideration between AMAs regarding AMA funding priorities, multi-AMA projects, information dissemination, etc.
- Increase public awareness of the importance of water conservation and renewable resource development.

### **9.7.3 Program Priorities**

Program priorities have and will continue to be an annual determination by the water using community, the GUAC, and the Department. This annual determination will provide maximum flexibility to accommodate rapidly changing technological, economic, and hydrologic conditions. This approach should consider priorities that emerge during the Third Management Plan, as well as the priorities that have been identified in the various chapters of this plan. They include:

#### **Municipal priorities**

- quantification of landscape water needs in Prescott area climate
- existing residential retrofit programs
- existing and new residential landscape water use conservation education programs
- local or statewide media campaign that will increase awareness of water supply/demand in the AMA
- investigation of potential recharge sites

#### **Industrial priorities**

- opportunities for using renewable resources
- further research on application rates for turf and new irrigation technologies

#### **Monitoring priorities**

- expansion of the water monitoring program